

Presentation to: Commission on Public Housing Reform:  
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### **EXECUTIVE SUMMARY:**

These are challenging times when an increased demand for services exists yet operating costs are increasing and limited resources are available. Both Private and Non-profit sector organizations have embraced the concept of shared services in response to difficult times with successful results, thereby supporting that this concept will only benefit the smaller communities as a whole if implemented on a larger scale. We cannot continue to debate the inevitable; change is happening all around us. The federal government, other states, cities and countries such as Canada, England are all looking at ways to sustain and improve upon their public or social housing.

What is clear is that we need to define "Regionalization" first because there appears to be a lot of misconceptions stemming from the belief that regionalization means taking on-site day to day operations which directly impact residents off the properties. This belief is wrong and the resulting fear will only be dispelled once the definition is generally understood. Once we agree to a definition or change in description maybe we can then agree to how those operations should be established.

Regionalization to private sector management companies retains the site location and staff, supervised daily/operationally by a regional location that has a centralized structure providing the policy/governance with consistent application and back office support. This centralization is the link for economies of scale for purchasing power, lower administrative costs and more importantly, funding opportunities. It does not mean loss of local delivery for resident services, interaction or input from the at large community; instead it means consistency, uniform, application of policy/procedures that enables people to work in a framework that services our customers and be better at delivering what is needed. Further, it provides administrative and maintenance support to on-site staff, better enabling them to do their jobs.

The resident application process is a perfect example. If the Commonwealth adopted the federal application process and utilized a uniform or centralized waiting list approach this would minimize time, paperwork, costs, frustration on all included in the process.

We understand that this is a regulatory environment. Legislative and administrative changes need to not only focus on clarifying the actions/changes needed but provide the framework on how it will be accomplished i.e. established task forces to focus on how the larger authorities may work or possibly mentor the new central locations.

Any changes that occur can't be voluntary because it won't happen.

### **Main Suggestions/Points we would like to make:**

1. We manage everything: market, affordable, public housing, commercial
  - a. We are experienced, knowledgeable and comfortable operating in highly regulated environments with multiple and sometimes conflicting programs/regulations and we feel that there is value to our suggestions.
2. We decided to take the time since the first meeting to interview our peers in affordable housing management to get their ideas on how they would organize the state's public housing portfolio. We worked with Judy Weber on this who has also run two affordable housing management companies, each operating thousands of apartments in multiple communities, including public housing units. Companies included Maloney Properties (8,200 units), Corcoran Jenison (6,000 units), Preservation of Affordable Housing (POAH) (7,600 units), Federal Management (4,500 units)
3. Key Concepts we got from everyone interviewed:
  - a. Consider not-including the largest LHAs (1,000 to 1,500 hard and soft units combined) in the consolidation model. We agree that you need at least these many units to be able to have enough resources to have the right complement of skills to operate rental property.
  - b. Centralize back-office functions for all others such as:
    - i. Accounting – A/R, A/P, general ledger
    - ii. Finance
    - iii. Reporting
    - iv. Information Technology – everyone on the same system
    - v. Human Resources
    - vi. Capital Planning
    - vii. Compliance including Risk Management
  - c. Regionalize supervisory functions in 5 to 7 regions, but do not create an independent regional office with its own set of centralized activities.
    - i. Create regions based primarily on geography, but also consider property types/condition, residents
    - ii. Regional managers (supervise local managers and oversee budgets), one senior maintenance for technical assistance, one HR manager, one compliance manager
    - iii. Troubleshoot with local managers. Rely more on “best available solution” for, e.g., unit turnovers and complex repairs than a regionalized, roving staff – i.e. local contractors

- d. Localize routine day-to-day operational functions by keeping on-site property managers and maintenance/custodial staff who provide direct services to residents. Maximize the use of technology to increase efficiency of operations.
    - i. Work orders
    - ii. Preventive maintenance
    - iii. Lease enforcement
    - iv. Resident and community interaction
    - v. Where there are challenges due to lack of knowledge or limited access, work with others, e.g., Americorp, City Year or State University Student Interns, to train Residents. Contact One Economy to help provide support to use Broad Band Connectors to outreach to communities because of lack of computer access.
4. Other ideas
- a. Be very clear about what you are trying to solve and then test your model against your goals.
  - b. Assign all voucher administration to regional entities like those that currently exist. 20,000 are currently with places like MHP, HAP, etc. 60,000 are with local housing authorities. 55,000 of those 60,000 are housing choice vouchers (Section 8).
  - c. Resident Services are needed, look at ways that they can be provided from the central locations and share; the portfolio is aging so is the public housing demographics and with 92% of the resident's elderly, their needs will only continue.
  - d. Consider a hot line or an Ombudsman to take calls from both housing authority representatives and residents too.
  - e. Can the affordable housing trust or existing PHAs be used to purchase or hold existing and future public housing units.
  - f. Eliminate duality and where possible adopt federal forms/standards to be uniform and consistent.